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VIA HAND DELIVERY

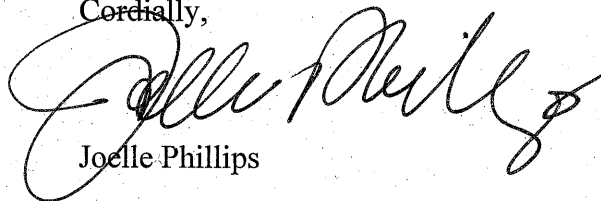
The Honorable Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: *In re: Complaint of Birch Telecom Against BellSouth Telecommunications, Inc., and
Petition for Declaratory Judgment*
Docket N. 02-00715

Dear Chairman Kyle:

I am writing on behalf of the parties in the above-referenced docket to notify the Authority that the parties have reached an agreement in settlement of the complaint. While the parties are finalizing their settlement arrangements, counsel for Birch has agreed to provide BellSouth with an extension of time until August 9, 2002 to file its answer to the Complaint. The parties anticipate that by that time, the matter will be resolved and no answer will be required.

Cordially,



Joelle Phillips

JP/jej

cc: Henry Walker, Esquire
Leah Cooper, Esquire